

**HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
ULYSSES, KANSAS**

JUNE 30, 2013

HIGH PLAINS EDUCATIONAL COOPERATIVE

DISTRICT NUMBER 611

GRANT COUNTY

ULYSSES, KANSAS

AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2013

**DIRKS, ANTHONY & DUNCAN, LLC
CERTIFIED PUBLIC ACCOUNTANTS
104 N. MAIN
ULYSSES, KANSAS 67880**

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
AUDIT REPORT
For the Fiscal Year Ended June 30, 2013

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HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
AUDIT REPORT
For the Fiscal Year Ended June 30, 2013

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Dirks, Anthony & Duncan, LLC

Certified Public Accountants & Management Consultants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
High Plains Educational Cooperative, District Number 611
Ulysses, KS, 67880

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of High Plains Educational Cooperative, District Number 611, Ulysses, Kansas, a Municipality, as of and for the year ended June 30, 2013 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U. S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by High Plains Educational Cooperative, District Number 611, Ulysses, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of High Plains Educational Cooperative, District Number 611, Ulysses, Kansas as of June 30, 2013, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of High Plains Educational Cooperative, District Number 611, Ulysses, Kansas as of June 30, 2013, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Regulatory Required Supplementary Information & Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming an opinion on the 2013 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a part of the basic financial statement. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and disbursements-agency funds, schedule of regulatory basis receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2013 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statement. The 2013 information has been subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the 2013 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the regulatory required supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2012 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 2 and 3 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2012 basic financial statement upon which we rendered an unqualified opinion dated November 1, 2012. The 2012 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2012 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 basic financial statement. The 2012 comparative information was subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 comparative information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2013, on our consideration of High Plains Educational Cooperative, District Number 611's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in

accordance with *Government Auditing Standards* in considering High Plains Educational Cooperative, District Number 611's internal control over financial reporting and compliance.

Dirks, Anthony, & Duncan L.L.C

DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

November 12, 2013

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
Summary of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2013

STATEMENT 1
Page 1 of 3

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>
Governmental Type Funds			
Special Education Fund	\$ 1,537,873	-	7,700,132
Special Purpose Type Funds			
Staff Development Fund	117,666	-	16,405
Regional Behavior Support Fund	(4,701)	-	11,585
Donations Fund	681	-	1,506
Alternative Assessment Project Fund	298,681	-	3,000
Early Intervention Fund	280,866	-	5,500
Targeted Improvement Plan	-	-	62,691
Community Based Curriculum	282,213	-	-
FY 2013 VI B Federal Flow Thru	-	-	1,674,723
FY 2012 VI B Federal Flow Thru	(1,565)	-	350,000
Building & Equipment Fund	507,371	-	50,000
Fiduciary Type Funds			
Trust and Agency Funds			
Board Meal Catering Fund	19,406	-	3,500
Computer Repair Fund	<u>346,100</u>	<u>-</u>	<u>7,000</u>
 Total	 <u>\$ 3,384,591</u>	 <u>-</u>	 <u>9,886,042</u>

The notes to the financial statements are an integral part of this statement.

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
7,568,536	1,669,469	606	1,670,075
14,029	120,042	-	120,042
6,884	-	-	-
1,502	685	-	685
3,072	298,609	-	298,609
6,129	280,237	-	280,237
84,680	(21,989)	5,066	(16,923)
747	281,466	-	281,466
1,676,852	(2,129)	2,129	-
348,435	-	-	-
-	557,371	-	557,371
3,675	19,231	-	19,231
<u>4,242</u>	<u>348,858</u>	<u>-</u>	<u>348,858</u>
<u>9,718,783</u>	<u>3,551,850</u>	<u>7,801</u>	<u>3,559,651</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
Summary of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2013

STATEMENT 1
Page 3 of 3

Composition of Cash:

The Grant County Bank,
Ulysses, Kansas

Checking Account	\$ 119,860	
Less: Outstanding Checks	(836,190)	
Add: Transit Deposits	<u>-</u>	\$ (716,330)
Profit Planner Checking	\$ 4,275,981	
Less: Outstanding Transfer	-	
Add: Transit Deposits	<u>-</u>	4,275,981
Investments		-
Petty Cash Checking	\$ -	
Less: Outstanding Checks	-	
Add: Transit Deposits	<u>-</u>	<u>-</u>
Total Composition of Cash		\$ <u>3,559,651</u>

The notes to the financial statements are an integral part of this statement.

High Plains Educational Cooperative, District Number 611
Ulysses, Kansas
Notes to the Financial Statement
Fiscal Year Ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

High Plains Educational Cooperative, District Number 611 is a municipal corporation governed by a 17 member board of directors. The governing board is composed of one school district board member from each of the member districts. Board members are elected by member school district. Member school districts include USD 200 Tribune, USD 209 Moscow, USD 210 Hugoton, USD 214 Ulysses, USD 215 Lakin, USD 216 Deerfield, USD 217 Rolla, USD 218 Elkhart, USD 363 Holcomb, USD 371 Montezuma, USD 374 Sublette, USD 452 Johnson, USD 466 Scott City, USD 467 Leoti, USD 476 Copeland, USD 494 Syracuse and USD 507 Satanta. The Coop provides a wide range of student support services for students with exceptionalities ages 3-21. This regulatory financial statement presents High Plains Educational Cooperative, District Number 611.

(b) Regulatory Basis Fund Types

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds - used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund - used to account for the debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Trust Fund - funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.

Agency Fund - funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing, county treasurer tax collection accounts, etc.).

(c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Accounting and Auditing Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory based expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities, or deferred inflows or outflows, other than those mentioned above.

The High Plains Educational Cooperative, District Number 611 has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted account principles and allowing the Cooperative to use the regulatory basis of accounting.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(d) Budget and Assessment Cycle

The High Plains Educational Cooperative, District Number 611 prepares a budget under the Kansas cash basis and budget laws to determine assessments to member districts and other financial planning purposes.

The Kansas cash basis and budget laws permit transferring budgeted amounts between line items within an individual fund. However, such laws prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the Cooperative for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

The High Plains Educational Cooperative, District Number 611 does not have authority to levy taxes. The Cooperative is funded by member assessments approved by the Cooperative's Board of Directors.

2. COMPLIANCE WITH KANSAS STATUTES

There was as cash basis law violation in the Targeted Improvement Plan fund of \$21,989 and the 2013 VI-B Federal Flow Thru fund of \$2,129. This was due to expenditures for these Federal programs that will be reimbursed in the 2013-14 fiscal year. No other statutory issues were noted for the fiscal year ended June 30, 2013.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the High Plains Educational Cooperative, District Number 611. The statute requires banks eligible to hold the Cooperative's funds have a main or branch bank in the county in which the Cooperative is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Cooperative has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Cooperative's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities, temporary notes; no fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Cooperative has no investment policy that would further limit investment choices.

Concentration of credit risk. State statutes place no limit on the amount the High Plains Educational Cooperative, District Number 611 may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. At June 30, 2013, the Cooperative held no investments.

Custodial credit risk. Custodial credit risk is the risk that in the event of bank failure, the High Plains Educational Cooperative, District Number 611's deposits may not be returned to it. State statutes require the Cooperative's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2013.

At year end the carrying amount of the High Plains Educational Cooperative, District Number 611's cash and certificates of deposit was \$3,559,651. The bank balance was held by two banks resulting in a concentration of credit risk. The bank balance was \$4,395,841. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$250,000 was covered by F.D.I.C. insurance and \$4,145,841 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the Cooperative's name under joint custody arrangements. The third-party bank holding the pledged

3. DEPOSITS AND INVESTMENTS (cont.)

The pledged securities are held under a tri-party agreement signed by all three parties: the Cooperative, the pledging bank, and the independent third-party bank holding the pledged securities.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the municipality will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4 . INTERFUND TRANSFERS

Operating transfers were as follows:

<u>FROM</u>	<u>TO</u>	<u>REGULATORY AUTHORITY</u>	<u>STATUTORY AMOUNT</u>
General	Staff Development	K.S.A. 72-6428	16,405
General	Alternative Assessment	K.S.A. 72-6428	3,000
General	Early Intervention	K.S.A. 72-6428	5,500
General	Building & Equipment Fund	K.S.A. 72-6428	50,000
General	Computer Purchases	K.S.A. 72-6428	7,000
General	Board Meal Catering Fund	K.S.A. 72-6428	3,500

5. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the Cooperative allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the Cooperative is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Cooperative makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

(b) Compensated Absences

Emergency Leave. The Cooperative's policies regarding emergency leave pay permits employees who regularly work more than thirty-five hours per week, who are considered full-time, may accumulate leave days at a maximum rate of between 10 and 12 days for certified personnel based on contract days. Part-time employees and full-time employees that begin halfway through the year receive the same emergency leave days but on a prorated basis according to number of work days remaining and number of hours worked a day. Emergency leave is granted to certified staff on his/her first day, while a paraeducator receives his/her emergency leave on the employee's 21st day of "on-the-job employment."

Use of Emergency Leave. Emergency leave may be used for sick and bereavement leave, both of which is to be used for immediate family only. Paraeducators may use up to 2 days for personal leave.

Payment for Emergency Leave. Certified staff who end the year with 80 or more accumulated days of emergency leave and continue employment in the next school year will receive \$15 per day reimbursement for up to 20 days.

Personal Leave. Certified staff is given four days of personal leave per year with no deduction in pay. Additional personal leave may be granted and approved at the discretion of the Director or his/her designee. Personal leave is not accrued each year. Instead, the remaining number of personal leave at the end of each contract year will be added to the certified staff's total accumulated emergency leave.

Professional Leaves & Absences. The Director may grant permission and authorize full or partial payment of

expenses to certified teachers attending professional meetings. There will be no deduction from the teacher's salary for the time missed while attending such meetings.

5. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (cont.)

(c) Termination Benefits

Upon retirement, resignation or death of a certified staff member with 10 years of continuous service with accumulated emergency leave over 50 days will be reimbursed at a rate of \$15 a day. Paraeducators have no termination benefits.

(d) Section 125 Cafeteria Plan/Health Insurance

The Cooperative offers a Section 125 cafeteria plan for any employee electing to participate. Annually, each employee determines the amount of contribution to the plan for these expenses. Benefits under Section 125 plan includes: Medical Expense Reimbursement, Group Life Insurance, Child Care and Dependent Care and Cancer Insurance. This plan is available through America Fidelity.

6. DEFINED BENEFIT PENSION PLAN

Plan Description. The Cooperative participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603 or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009, KPERS has two member benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue code. The State of Kansas is required to contribute the statutory required employers share.

7. DEFINED RETIREMENT PLAN

Plan Description. A 403(b) Plan allows eligible employees the opportunity to save for retirement. Amounts contributed to the Plan are, in general, contributed on a tax-deferred basis. All employees are eligible to participate unless specifically excluded by the written plan.

Funding Policy. The Cooperative allows all eligible employees to participate on a voluntary basis. AF Plan Serve administrates all 403(b) regulations in accordance with Internal Revenue Service. The Cooperative provides each voluntary employee with a list of approved providers for the employee to choose.

8. CLAIMS AND JUDGMENTS AND RISK MANGEMENT

The Cooperative participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Cooperative may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the Cooperative believes that any disallowed expenditures or overpayments, if any, will not have a material effect on the individual governmental funds or the overall financial position of the Cooperative.

During the ordinary course of its operation the Cooperative is a party to various claims, legal actions and complaints. It is the opinion of the Cooperative's management and legal counsel that these matters are not anticipated to have a material impact on the Cooperative.

The Cooperative is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Cooperative has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2012 to

2013, and there were no settlements that exceeded insurance coverage in the past three years.

9. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statements of subsequent events occurring through the date of this report, which is the date at which the financial statements were available to be issued.

HIGH PLAINS EDUCATIONAL COOPERATIVE

DISTRICT NUMBER 611

ULYSSES, KANSAS

REGULATORY REQUIRED SUPPLEMENTAL INFORMATION

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysess, Kansas
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013

SCHEDULE 1

	<u>Certified Budget</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Type Funds				
Special Education Fund	\$ 11,448,014	11,448,014	7,568,536	3,879,478
Special Revenue Type Funds				
Staff Development Fund	N/A	N/A	14,029	N/A
Regional Behavior Support Fund	N/A	N/A	6,884	N/A
Donations Fund	N/A	N/A	1,502	N/A
Alternative Assessment Project Fund	N/A	N/A	3,072	N/A
Early Intervention Fund	N/A	N/A	6,129	N/A
Targeted Improvement Plan	N/A	N/A	84,680	N/A
Community Based Curriculum	N/A	N/A	747	N/A
FY 2011 VI B Federal Flow Thru	N/A	N/A	1,676,852	N/A
FY 2012 VI B Federal Flow Thru	N/A	N/A	348,435	N/A
Building & Equipment Fund	N/A	N/A	-	N/A
Fiduciary Type Funds				
Trust and Agency Funds				
Board Meal Catering Fund	N/A	N/A	3,675	N/A
Computer Repair Fund	N/A	N/A	4,242	N/A
	<u>\$ 11,448,014</u>	<u>11,448,014</u>	<u>9,718,783</u>	<u>3,879,478</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE

DISTRICT NUMBER 611

Ulysses, Kansas

General Fund

SCHEDULE 2-1

Schedule of Receipts and Expenditures- Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

		<u>2013</u>		Variance
	<u>2012</u>	<u>Actual</u>	<u>Budget</u>	Over
	<u>Actual</u>			<u>(Under)</u>
Cash Receipts				
District Assessments	\$ 6,765,963	7,284,460	7,867,403	(582,943)
Interest	9,087	5,546	6,000	(454)
Miscellaneous	55,969	50,855	-	50,855
Federal Aid	-	-	-	-
State Aid - Mentor Teacher	-	-	-	-
Program Grants	-	-	-	-
Contractual Services	-	-	-	-
Medicaid Revenue	265,994	359,271	326,240	33,031
Transfer from Other Funds	-	-	-	-
Total Cash Receipts	<u>7,097,013</u>	<u>7,700,132</u>	<u>8,199,643</u>	<u>(499,511)</u>
Expenditures				
Instruction	6,862,724	6,764,891	10,421,889	(3,656,998)
Administration	604,835	601,729	761,696	(159,967)
Accounting	57,405	61,918	67,527	(5,609)
Plant Operations/Maintenance	19,052	31,370	57,587	(26,217)
Central Support Services	16,385	23,133	22,300	833
Capital Outlay	-	90	100,000	(99,910)
Other	-	-	-	-
Transfers to Other Funds	<u>206,907</u>	<u>85,405</u>	<u>17,015</u>	<u>68,390</u>
Total Expenditures	<u>7,767,308</u>	<u>7,568,536</u>	<u>11,448,014</u>	<u>(3,879,478)</u>
Receipts Over (Under) Expenditures	(670,295)	131,596		
Unencumbered Cash, July 1	2,208,168	1,537,873		
Prior Year Canceled Encumbrances	-	-		
Unencumbered Cash, June 30	<u>\$ 1,537,873</u>	<u>1,669,469</u>		

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
Staff Development Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2013

SCHEDULE 2-2

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>
Cash Receipts		
State In-service Aid	\$ -	-
Transfer from General	70,000	16,405
Transfer from VIB	-	-
Transfer from CIA	-	-
Miscellaneous	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>70,000</u>	<u>16,405</u>
Expenditures		
Substitute Teacher/Consultant Expense	-	425
Consultant Fees	-	-
Consultant Travel	-	-
Registration Fees/Travel	333	1,450
In-service Supplies/Materials	-	-
Training Supplies/Material	-	-
In-service Supplies/Meals	-	12,154
In-service Secretarial Time	<u>-</u>	<u>-</u>
Total Expenditures	<u>333</u>	<u>14,029</u>
Receipts Over (Under) Expenditures	69,667	2,376
Unencumbered Cash, July 1	47,999	117,666
Prior Year Canceled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, June 30	<u>\$ 117,666</u>	<u>120,042</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE

DISTRICT NUMBER 611

Ulysses, Kansas

SCHEDULE 2-3

Regional Behavior Support Fund

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>
Cash Receipts		
Federal Aid	\$ 62,415	11,585
Transfer from General	-	-
Transfer from VIB	-	-
Transfer from CIA	-	-
Miscellaneous	-	-
	<u>62,415</u>	<u>11,585</u>
Total Cash Receipts		
Expenditures		
Substitute Teacher/Consultant Expense	18,447	2,750
Consultant Fees	30,675	3,888
Consultant Travel	-	-
Registration Fees/Travel	10,130	-
Supplies	-	-
Training Supplies/Material	6,065	-
Equipment	399	-
General Operating	1,400	246
In-service Supplies/Meals	-	-
In-service Secretarial Time	-	-
	<u>67,116</u>	<u>6,884</u>
Total Expenditures		
Receipts Over (Under) Expenditures	(4,701)	4,701
Unencumbered Cash, July 1	-	(4,701)
	<u>-</u>	<u>-</u>
Prior Year Canceled Encumbrances		
Unencumbered Cash, June 30	\$ <u>(4,701)</u>	<u>-</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
Audiology/Donations Fund
Schedule of Receipts and Expenditures
Regulatory Basis

SCHEDULE 2-4

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>
Cash Receipts		
Interest	\$ -	-
Other	<u>3,850</u>	<u>1,506</u>
Total Cash Receipts	<u>3,850</u>	<u>1,506</u>
Expenditures		
Contractual Services	-	-
Supplies	2,456	1,502
Equipment	<u>1,089</u>	<u>-</u>
Total Expenditures	<u>3,545</u>	<u>1,502</u>
Receipts Over (Under) Expenditures	305	4
Unencumbered Cash, July 1	376	681
Prior Year Canceled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, June 30	<u>\$ 681</u>	<u>685</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611

Ulysses, Kansas

SCHEDULE 2-5

Alternative Assessment Project Fund
Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>
Cash Receipts		
Federal Grant	\$ -	-
State Aid	-	-
Transfers	-	3,000
	<u>-</u>	<u>3,000</u>
Total Cash Receipts	<u>-</u>	<u>3,000</u>
Expenditures		
Supplies	103	2,432
Equipment	-	640
Transfer to Other Funds	-	-
	<u>103</u>	<u>3,072</u>
Total Expenditures	<u>103</u>	<u>3,072</u>
Receipts Over (Under) Expenditures	(103)	(72)
Unencumbered Cash, July 1	298,784	298,681
Prior Year Canceled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, June 30	<u>\$ 298,681</u>	<u>298,609</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611

Ulysses, Kansas

SCHEDULE 2-6

Early Intervention Fund

Schedule of Receipts and Expenditures

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>
Cash Receipts		
Federal Grant	\$ -	-
Transfers	2,000	5,500
Miscellaneous	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>2,000</u>	<u>5,500</u>
Expenditures		
Supplies	1,097	474
Equipment/Materials	-	-
Site Rental	10,054	5,655
Office and General	<u>-</u>	<u>-</u>
Total Expenditures	<u>11,151</u>	<u>6,129</u>
Receipts Over (Under) Expenditures	(9,151)	(629)
Unencumbered Cash, July 1	290,017	280,866
Prior Year Canceled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, June 30	<u>\$ 280,866</u>	<u>280,237</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE

DISTRICT NUMBER 611

Ulysses, Kansas

SCHEDULE 2-7

Targeted Improvement Plan

Schedule of Receipts and Expenditures

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>
Cash Receipts		
Federal Grant	\$ 83,680	62,691
State Aid	-	-
Other	-	-
	<u>83,680</u>	<u>62,691</u>
Total Cash Receipts	<u>83,680</u>	<u>62,691</u>
Expenditures		
Instruction/Benefits	32,254	-
Contractual Services	28,429	28,585
Supplies	6,368	10,747
Travel	688	1,038
Stipends/Substitutes	5,525	10,623
LOD	-	2,982
General Office/Admin	3,088	4,000
Supervisor/Coordinator	7,328	8,920
Equipment	-	17,785
	<u>83,680</u>	<u>84,680</u>
Total Expenditures	<u>83,680</u>	<u>84,680</u>
Receipts Over (Under) Expenditures	-	(21,989)
Unencumbered Cash, July 1	-	-
Prior Year Canceled Encumbrances	-	-
Unencumbered Cash, June 30	<u>\$ -</u>	<u>(21,989)</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
Community Based Curriculum
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2013

SCHEDULE 2-8

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>
Cash Receipts		
Federal Grant	\$ -	-
Transfers	-	-
Miscellaneous	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures		
Travel	-	-
Supplies	<u>1,126</u>	<u>747</u>
Total Expenditures	<u>1,126</u>	<u>747</u>
Receipts Over (Under) Expenditures	(1,126)	(747)
Unencumbered Cash, July 1	283,339	282,213
Prior Year Canceled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, June 30	<u>\$ 282,213</u>	<u>281,466</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611

Ulysses, Kansas

SCHEDULE 2-9

FY 2013 VI B Federal Flow Thru

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>
Cash Receipts		
Federal Grant	\$ -	1,674,723
Transfers	-	-
Miscellaneous	-	-
	<hr/>	<hr/>
Total Cash Receipts	<hr/> -	<hr/> 1,674,723
Expenditures		
Instruction		
Salary	-	1,653,256
Training/Tuition	-	19,131
Contractual Service	-	-
Travel	-	-
Materials/Supplies	-	-
Workshop Expenses	-	3,133
Equipment	-	1,332
Site Rental	-	-
Transfer	-	-
	<hr/>	<hr/>
Total Expenditures	<hr/> -	<hr/> 1,676,852
Receipts Over (Under) Expenditures	-	(2,129)
Unencumbered Cash, July 1	-	-
Prior Year Canceled Encumbrances	<hr/> -	<hr/> -
Unencumbered Cash, June 30	<hr/> \$ -	<hr/> (2,129)

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
FY 2012 VI B Federal Flow Thru
Schedule of Receipts and Expenditures
Regulatory Basis

SCHEDULE 2-10

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	<u>2012</u>	<u>2013</u>
Cash Receipts		
Federal Grant	\$ 1,510,543	350,000
Transfers	-	-
Miscellaneous	-	-
	<u>1,510,543</u>	<u>350,000</u>
Total Cash Receipts		
Expenditures		
Instruction		
Salary	1,461,533	236,112
Training/Tuition	8,038	23,182
Contractual Service	30,165	23,793
Travel	-	-
Materials/Supplies	-	-
Workshop Expenses	-	41,108
Equipment	10,372	24,240
Site Rental	-	-
Transfer	2,000	-
	<u>1,512,108</u>	<u>348,435</u>
Total Expenditures		
Receipts Over (Under) Expenditures	(1,565)	1,565
Unencumbered Cash, July 1	-	(1,565)
Prior Year Canceled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, June 30	<u>\$ (1,565)</u>	<u>-</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
Building & Equipment Fund
Schedule of Receipts and Expenditures
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

SCHEDULE 2-11

	<u>2012</u>	<u>2013</u>
Cash Receipts		
Federal Grant	\$ -	-
Transfers	80,000	50,000
Miscellaneous	<u> -</u>	<u> -</u>
Total Cash Receipts	<u>80,000</u>	<u>50,000</u>
Expenditures		
Improvements	13,250	-
Equipment	<u> -</u>	<u> -</u>
Total Expenditures	<u>13,250</u>	<u> -</u>
Receipts Over (Under) Expenditures	66,750	50,000
Unencumbered Cash, July 1	440,621	507,371
Prior Year Canceled Encumbrances	<u> -</u>	<u> -</u>
Unencumbered Cash, June 30	<u>\$ 507,371</u>	<u>557,371</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
Board Meal Catering Fund
Schedule of Receipts and Expenditures
For the Year Ended June 30, 2013
(With Comparative Actual total for the Prior year Ended June 30, 2012)

SCHEDULE 2-12

	<u>2012</u>	<u>2013</u>
Cash Receipts		
Catering	\$ -	-
Transfers	<u>6,907</u>	<u>3,500</u>
Total Cash Receipts	<u>6,907</u>	<u>3,500</u>
Expenditures		
Catered Food Services	4,055	3,675
In-service Supplies	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,055</u>	<u>3,675</u>
Receipts Over (Under) Expenditures	2,852	(175)
Unencumbered Cash, July 1	16,554	19,406
Prior Year Canceled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, June 30	<u>\$ 19,406</u>	<u>19,231</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
Computer Repair Fund

SCHEDULE 2-13

Schedule of Receipts and Expenditures
For the Year Ended June 30, 2013

(With Comparative Actual Total for the Prior Year Ended December 31, 2012)

	<u>2012</u>	<u>2013</u>
Cash Receipts		
Repairs	\$ -	-
Other	999	-
Transfers	<u>50,000</u>	<u>7,000</u>
Total Cash Receipts	<u>50,999</u>	<u>7,000</u>
Expenditures		
Training	-	-
Computer Equipment	2,216	2,651
Supplies/Materials	69	210
Repairs	289	1,269
Computer Service	100	112
Transfer to Project IDEA	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,674</u>	<u>4,242</u>
Receipts Over (Under) Expenditures	48,325	2,758
Unencumbered Cash, July 1	297,775	346,100
Prior Year Canceled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, June 30	<u>\$ 346,100</u>	<u>348,858</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
General Fund
Detailed Schedule of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

SCHEDULE 3
Page 1 of 6

		<u>2013</u>		<u>Variance</u>
	<u>2012</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
<u>Expenditures</u>	<u>Actual</u>			<u>(Under)</u>
Instruction				
Salaries				
School Psychologists	\$ 425,255	480,693	465,414	15,279
Speech Pathologists	477,047	424,843	620,692	(195,849)
Interpreter	-	-	78,107	(78,107)
OT Therapists	120,964	121,397	139,466	(18,069)
Extended School Year	39,401	42,125	140,000	(97,875)
Hearing Impaired Instructors	37,564	37,423	60,194	(22,771)
Gifted Facilitator Instructors	354,366	278,892	387,319	(108,427)
SMH Instructors	-	-	-	-
Audiology	8,602	-	32,933	(32,933)
Interrelated	2,023,419	1,604,678	3,020,038	(1,415,360)
PT Therapists	52,951	56,143	61,474	(5,331)
Adaptive PE	87,494	133,984	157,859	(23,875)
Supervisor/Coordinator	-	-	-	-
Early Childhood	254,308	335,560	420,237	(84,677)
Vocational Education	-	-	-	-
Substitute Teachers	46,146	39,135	70,000	(30,865)
Para-professionals	1,375,579	1,526,778	2,683,934	(1,157,156)
Para Interpreters	82,464	40,738	120,000	(79,262)
2-way Instruction	-	-	-	-
	<u>5,385,560</u>	<u>5,122,389</u>	<u>8,457,667</u>	<u>(3,335,278)</u>
Employee Benefits				
Insurance	616,257	708,340	616,979	91,361
Social Security	418,473	512,959	701,713	(188,754)
Other	88,998	70,141	104,450	(34,309)
	<u>\$ 1,123,728</u>	<u>1,291,440</u>	<u>1,423,142</u>	<u>(131,702)</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE

DISTRICT NUMBER 611

Ulysses, Kansas

General Fund

SCHEDULE 3

Page 2 of 6

Detailed Schedule of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

		<u>2013</u>		<u>Variance</u>
	<u>2012</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
<u>Expenditures</u>	<u>Actual</u>			<u>(Under)</u>
Instruction (Cont'd)				
Supplies & Other Purchased Services				
Extended Contracts/Supplies	\$ -	-	-	-
Unused Sick Leave	2,824	3,816	2,500	1,316
Contracted Services - Instruction	32,434	28,503	50,000	(21,497)
Tuition Reimbursement	49,011	55,929	65,000	(9,071)
Instructional Student Travel	54,865	56,200	60,000	(3,800)
Instructional Travel	2,892	2,169	4,102	(1,933)
Classroom Materials	34,577	32,074	48,000	(15,926)
Equipment	-	-	30,000	(30,000)
Social Worker/Assessment	-	-	75,000	(75,000)
Behavior Interventionist	99,945	98,031	120,478	(22,447)
Testing Materials	929	229	5,000	(4,771)
Audiology Screening Materials	-	-	2,000	(2,000)
Library and SEIMC Supplies	416	540	7,000	(6,460)
Contracted Consultant	5,405	13,175	15,000	(1,825)
Tech/Communication	-	-	-	-
Professional Development	-	-	-	-
Contracted Services - Health	-	-	-	-
	<u>283,298</u>	<u>290,666</u>	<u>484,080</u>	<u>(193,414)</u>
In-service and PDC				
In-service Instructional Service	-	-	-	-
In-service Travel	-	-	-	-
In-service Supplies	-	-	-	-
Admin. & BOD PDC	-	-	-	-
Professional Growth -Travel	-	-	-	-
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
General Fund
Detailed Schedule of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

SCHEDULE 3
Page 3 of 6

		<u>2013</u>		
	<u>2012</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Expenditures</u>	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Instruction (Cont'd)				
Travel				
School Psychologists	\$ -	-	-	-
Speech Pathologists	-	-	-	-
Interpreter	-	-	-	-
SMH Instructors	-	-	-	-
VI Instructors	-	-	-	-
PT/OT/APE Instructors	-	-	-	-
LD Instructors	-	-	-	-
HI Instructors	-	-	-	-
PDC	974	516	2,000	(1,484)
Gifted Instructors	-	-	-	-
Audiologists	-	-	-	-
SEIMC	-	20	1,000	(980)
Interrelated	-	-	-	-
Early Childhood	-	-	-	-
Supervisor	-	-	-	-
Related Service	69,164	59,860	54,000	5,860
	<u>70,138</u>	<u>60,396</u>	<u>57,000</u>	<u>3,396</u>
Total Instruction	<u>6,862,724</u>	<u>6,764,891</u>	<u>10,421,889</u>	<u>(3,656,998)</u>
Administration				
Salaries				
Director	89,500	92,185	92,185	-
Assistant Directors	203,365	222,091	218,760	3,331
Secretarial	58,447	59,611	83,369	(23,758)
	<u>351,312</u>	<u>373,887</u>	<u>394,314</u>	<u>(20,427)</u>
Employee Benefits				
Insurance	109,304	80,120	45,032	35,088
Social Security	28,353	29,794	50,000	(20,206)
Other	6,845	934	3,150	(2,216)
	<u>\$ 144,502</u>	<u>110,848</u>	<u>98,182</u>	<u>12,666</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611

Ulysses, Kansas
General Fund

SCHEDULE 3
Page 4 of 6

Detailed Schedule of Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

		<u>2013</u>		
	<u>2012</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Expenditures</u>	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Administration (Cont'd)				
Supplies and Purchased Services				
Postage	\$ -	6,737	25,500	(18,763)
BOD Training	-	-	1,500	(1,500)
BOD Liability Insurance	24,144	30,236	23,800	6,436
Negotiations	2,535	-	1,800	(1,800)
Legal Services	100	100	15,000	(14,900)
Audit Services	11,075	12,075	15,000	(2,925)
Hearing Officer	-	-	3,000	(3,000)
SRS Administrative Expense	-	-	55,000	(55,000)
Office Supplies	10,918	8,170	28,000	(19,830)
Equipment, Office	1,129	586	15,000	(14,414)
Equipment Repairs	100	-	2,500	(2,500)
Telephone	16,907	17,304	28,000	(10,696)
Office Contracted Services	16,858	15,401	20,000	(4,599)
	<u>83,766</u>	<u>90,609</u>	<u>234,100</u>	<u>(143,491)</u>
Travel				
Director	24,630	25,976	33,000	(7,024)
Assistant Directors	-	-	-	-
Office Staff	625	409	2,100	(1,691)
	<u>25,255</u>	<u>26,385</u>	<u>35,100</u>	<u>(8,715)</u>
Total Administration	<u>604,835</u>	<u>601,729</u>	<u>761,696</u>	<u>(159,967)</u>
Accounting				
Salaries				
Accountant/Treasurer	43,723	45,032	45,032	-
Clerk of Finance	-	-	-	-
	<u>43,723</u>	<u>45,032</u>	<u>45,032</u>	<u>-</u>
Employee Benefits				
Insurance	4,174	8,665	6,320	2,345
Social Security	2,647	2,757	4,000	(1,243)
Other	260	121	675	(554)
	<u>7,081</u>	<u>11,543</u>	<u>10,995</u>	<u>548</u>
Contracted Services	<u>5,262</u>	<u>5,343</u>	<u>4,500</u>	<u>843</u>
Equipment	<u>1,339</u>	<u>-</u>	<u>7,000</u>	<u>(7,000)</u>
Total Accounting	<u>\$ 57,405</u>	<u>61,918</u>	<u>67,527</u>	<u>(5,609)</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611

Ulysses, Kansas
General Fund

SCHEDULE 3
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Detailed Schedule of Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

		<u>2013</u>		
	<u>2012</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Expenditures</u>	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Plant Operations/ Maintenance				
Water	\$ 1,234	1,407	1,700	(293)
Custodial Services	6,287	6,287	6,187	100
Property Insurance	-	-	20,000	(20,000)
Custodial Supplies	-	-	500	(500)
Heating	1,895	2,261	3,000	(739)
Electricity	6,165	6,017	9,500	(3,483)
Building Repairs	-	11,106	10,000	1,106
Equipment Repairs	-	-	-	-
Automobile Maintenance	637	980	2,000	(1,020)
Automobile Repairs	-	-	-	-
Fleet Insurance	<u>2,834</u>	<u>3,312</u>	<u>4,700</u>	<u>(1,388)</u>
Total Plant Operations/Maintenance	<u>19,052</u>	<u>31,370</u>	<u>57,587</u>	<u>(26,217)</u>
Central Support Services				
Public Information Services	213	725	2,300	(1,575)
Medicaid Expense	3,913	5,447	2,000	3,447
Recruiting Expenses	10,573	16,027	13,000	3,027
Contracted Health Services	<u>1,686</u>	<u>934</u>	<u>5,000</u>	<u>(4,066)</u>
Total Central Support Services	<u>16,385</u>	<u>23,133</u>	<u>22,300</u>	<u>833</u>
Capital Outlay				
Facilities	-	90	100,000	(99,910)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Outlay	<u>-</u>	<u>90</u>	<u>100,000</u>	<u>(99,910)</u>
Other	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611

Ulysses, Kansas
General Fund

SCHEDULE 3
Page 6 of 6

Detailed Schedule of Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

		<u>2013</u>		
	<u>2012</u>	<u>Actual</u>	<u>Budget</u>	Variance
<u>Expenditures</u>	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Transfers				
Staff Development	\$ 70,000	16,405	-	16,405
In-service	-	-	17,015	(17,015)
Alternative Assessment		3,000	-	3,000
Early Intervention	-	5,500	-	5,500
Community Based Curriculum	-	-	-	-
Building & Equipment Fund	80,000	50,000	-	50,000
Computer Purchases	50,000	7,000	-	7,000
Board Meal Catering Fund	6,907	3,500		3,500
Total Transfers	<u>206,907</u>	<u>85,405</u>	<u>17,015</u>	<u>68,390</u>
Total Expenditures and Transfers	<u>\$ 7,767,308</u>	<u>7,568,536</u>	<u>11,448,014</u>	<u>(3,879,478)</u>

**HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
ULYSSES, KANSAS**



Dirks, Anthony & Duncan, LLC

Certified Public Accountants & Management Consultants

104 N. Main / P.O. Box 885 / Ulysses, KS 67880 / Phone: (620) 356-4951 / Fax: (620) 353-1018

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF A FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
High Plains Educational Cooperative, District Number 611
Ulysses, KS 67880

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of High Plains Educational Cooperative, District Number 611, Ulysses, Kansas, (the Cooperative) as of and for the year ended June 30, 2013, and the related notes to the financial statement, which collectively comprise the Cooperative's basic financial statement, and have issued our report thereon dated November 12, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Cooperative's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cooperative's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

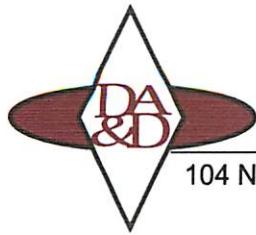
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dirks, Anthony & Duncan L.L.C

Dirks, Anthony & Duncan, LLC
Certified Public Accountants
Ulysses, Kansas

November 12, 2013



Dirks, Anthony & Duncan, LLC

Certified Public Accountants & Management Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Directors
High Plains Educational Cooperative, District Number 611
Ulysses, KS 67880

Report on Compliance for Each Major Federal Program

We have audited High Plains Educational Cooperative, District Number 611's (the Cooperative) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Cooperative's major federal programs for the year ended June 30, 2013. The Cooperative's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Cooperative's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Cooperative's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Cooperative's compliance.

Opinion on Each Major Federal Program

In our opinion, the Cooperative complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of the Cooperative is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Cooperative's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Dirks, Anthony & Duncan L.L.C

Dirks, Anthony & Duncan, LLC
Certified Public Accountants
Ulysses, Kansas

November 12, 2013

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Pass-Through Grantor/Grant Title</u>	<u>Federal CFDA Numbers</u>	<u>Program or Award Amount</u>
U.S. Department of Education		
Passed-through Kansas Department of Education		
Major Programs		
Special Education - State Grants		
FY 2013 VI B Federal Flow Thru	84.027	\$ 1,614,346
FY 2012 VI B Federal Flow Thru	84.027	350,000
EC Flo Thru - FY 2013 VI B Federal Flow Thru	84.173	60,377
Targeted Improvement Plan - ECH Flo Thru	84.027	62,691
Total Special Education State Grants and Major Programs		
Non-Major Programs		
State Personnel Development Grant- FY 113	84.323	11,585
Other Federal Assistance		
Medicaid Reimbursement	93.778	359,271
Total Non-Major Programs		

Total Federal Assistance

All Funds except Medicaid Reimbursement were disbursed by the Kansas Department of Education.
Medicaid Reimbursement funds were disbursed by the Kansas Health Policy Authority.
This Schedule was prepared in accordance with the accounting policies described in Note 1.

Unencumbered Cash <u>July 1, 2012</u>	<u>Revenue</u>	<u>Expenditures</u>	Prior Year Canceled <u>Encumbrances</u>	Unencumbered Cash <u>June 30, 2013</u>
\$ -	1,614,346	1,616,475	-	(2,129)
(1,565)	350,000	348,435	-	-
-	60,377	60,377	-	-
<u>-</u>	<u>62,691</u>	<u>84,680</u>	<u>-</u>	<u>(21,989)</u>
<u>(1,565)</u>	<u>2,087,414</u>	<u>2,109,967</u>	<u>-</u>	<u>(24,118)</u>
<u>(4,701)</u>	<u>11,585</u>	<u>6,884</u>	<u>-</u>	<u>-</u>
<u>965,320</u>	<u>359,271</u>	<u>5,447</u>	<u>-</u>	<u>1,319,144</u>
<u>960,619</u>	<u>370,856</u>	<u>12,331</u>	<u>-</u>	<u>1,319,144</u>
<u>\$ 959,054</u>	<u>2,458,270</u>	<u>2,122,298</u>	<u>-</u>	<u>1,295,026</u>

HIGH PLAINS EDUCATIONAL COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

1. No findings or questioned costs.

*The notes to the financial statements are an integral part of this statement.

HIGH PLAINS EDUCATION COOPERATIVE
DISTRICT NUMBER 611
Ulysses, Kansas
Summary of Auditor's Results
For the Year Ended June 30, 2013

Summary of Auditor's Results

Financial Statement

1. Type of auditor's report issued – unqualified.

Internal Control Over Financial Reporting

2. Material weaknesses identified? ____yes Xno

3. Significant Deficiency(s) identified that are not considered to be material weaknesses? ____Yes
X none reported

4. Noncompliance material to financial statements noted? ____yes Xno

Federal Awards

5. Internal control over major programs:

(A) Material weaknesses identified? ____yes Xno

(B) Significant Deficiency(s) identified that are not considered to be material weaknesses? ____Yes
X none reported

6. Type of auditor's report issued on compliance for major programs – unqualified.

7. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ____yes Xno

8. Major Programs - 84.027/84.173 - VI B Federal Flow Thru Cluster

9. Dollar threshold used to distinguish Type A and Type B Programs - \$300,000.

10. Auditee qualified as low-risk auditee? Xyes ____no

Section 2 - Financial Statement Findings

No matters were reported

Section 3 - Federal Award Findings & Questioned Costs

No findings or questioned costs.

*The notes to the financial statements are an integral part of this statement.